

**City of Cincinnati Retirement System
Board of Trustees Meeting Minutes
December 7, 2023 / 2:00 P.M.
City Hall – Council Chambers and remote**

Board Members

Bill Moller, Chair
Tom Gamel, Co-Chair
Kathy Rahtz
Mark Menkhaus Jr.
Monica Morton
John Juech
Tom West
Seth Walsh
Aliya Riddle

Administration

Jon Salstrom

Law

Linda Smith

CALL TO ORDER

Chair Moller called the meeting to order at 2:02 p.m. and a roll call of attendance was taken. Trustees Moller, Gamel, Rahtz, Menkhaus, Morton, Juech, West, Walsh, and Riddle were present.

PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Approval of the minutes of the Board meeting of November 2, 2023, was moved by Trustee Gamel and seconded by Trustee Rahtz. The minutes were approved by unanimous roll call vote.

Report from Performance Evaluation Committee

Chair Moller explained that there were two motions. Trustee Rahtz explained the two motions made by the Performance Evaluation Committee.

- Motion to approve the proposed strategic plan for Board goals and objectives for 2024. The motion was made by Chair Moller, no seconded needed, and was approved by unanimous roll call vote.
- Motion to approve the annual Board Contract Evaluation for the investment consultant, Marquette. The motion was made by Chair Moller, no seconded needed, and was approved by unanimous roll call vote.

Informational – Staff Report

Marquette Investment Report

Chair Moller referenced the Investment Report that is included in the packet, which is a summary of the 4th quarter performance. The year-to-date is about 3% and hopefully in the last few months of the year, this will improve to reach 7.5%. U.S. equity is significantly less than the benchmark. The Board made changes to the investment plan allocation and hopeful that will improve in the future. Director Salstrom pointed out that November has bounced back quite a bit and is up 4.5% through the end of November.

City Manager FYI Report to the Mayor and City Council Bond Ratings (Moody's rating report and S&P rating report)

Chair Moller referenced the Moody's and S&P reports included in the packet. He explained that when the city sells bonds, they have to get them rated. The City's General Obligation rating was affirmed by Moody's (Aa2 stable) and S&P (AA stable). There is no negative outlook, which is good. However, the unfunded liability in the state of CRS is part of the evaluation done by the rating agencies. Trustee Rahtz expressed that she thought that CRS's unfunded liability was approaching \$800 million and asked Chair Moller where the \$505 million listed in S&P's report came from. Chair Moller explained that the timing of the reports and the MSD portion may make a difference.

CRS Staff Update

Director Salstrom highlighted the work that his staff has done and thanked them for their tremendous help and tackling tasks. Chair Moller acknowledged the CRS staff's experience and knowledge and how thankful the Board is for that. Chair Moller also applauded the mid-career education the staff is doing because it is important in that stage of a person's career to receive information about the retirement system and get them focused on that.

Fiduciary Audit

Director Salstrom explained that most of the Trustees have been contacted and scheduled an interview with Funston regarding the Fiduciary Performance Audit. Funston has drafted a few documents of recommendations and what CRS looks like vs peers. Director Salstrom does not foresee anything surprising coming from Funston and hopeful it will be considered a positive way to continuously improve.

DROP Actuarial Analysis Peer Review Update

Director Salstrom explained that he is planning to continue to work with Foster and Foster. The contract is with them and still waiting for feedback on any changes. Once he receives that back, hopefully in the next week, it can be signed and get Foster and Foster in-person to explain the report.

Healthcare Funding Policy

Director Salstrom explained that there are positive and productive conversations regarding the Healthcare Funding Policy, and it is moving forward. The target is to still have it completed by the end of the year.

Futures Commissions Update

Chair Moller explained that there was nothing to report.

Old Business

Board & Committee Meeting Schedule '24 Term Status

Chair Moller referenced the 2024 meeting schedule in the packet and explained that it is the same as last year except for the Benefits Committee, which is now included in the schedule. Trustee Rahtz pointed out that the Benefits Committee and Performance Evaluation Committee were both scheduled at 12:00 PM on the same date. Chair Moller explained that the Benefits Committee would be changed to 1:00 PM on all dates.

3Q'23 Budget Update

Director Salstrom referenced the budget analysis in the packet. He talked about the difference 75% of budget vs actual. CRS is quite a bit under budget in many areas, which will adjust in the 4th quarter and the other items will be discussed in greater detail as the budget for next year is determined. The big variance you can see is office staff due to vacancies not yet filled, that were included in the budget. The other big one is data processing, which is one of CRS's providers (LRS), which provides Pension Gold (how we monitor our pension benefits). They bill in the 4th quarter so that will catch up and close that gap. The last one is professional fees that includes consulting services and some outside legal counsel. The billing from Marquette in the 4th quarter will catch up a large portion of that, as will the company that does CRS's legal contracts.

New Business

CRS Budget CY 2024

Director Salstrom referenced the presentation in the packet. He highlighted that there is not a great deal of change to this budget from last year's budget but did explain the proposed changes, with the largest one being office staff. Most of that is pay increases and cost of living adjustments. There is an increase in training and travel because he would like to increase the staff's use of this to develop professionally. Data processing is up slightly due to inflation from the providers CRS is contracted with. Professional services is down due to audits being completed and the Executive Director search consultant is completed. Motion to approve the proposed 2024 Budget. The motion was made by Trustee Gamel, seconded by Trustee Rahtz, and was approved by unanimous roll call vote.

Elections Timetable 2024

Chair Moller referenced the timetable included in the packet. He explained that this is provided for Board information. There are 3 positions up for election this year. He stated that he thinks it's important for the Election Committee to work with the Director to see where the Election Committee needs to focus and what meetings are required to fulfill that obligation. These obligations are listed in the Board Rules and Policies.

Adjournment

Following a motion to adjourn by Trustee Gamel and seconded by Trustee Morton. The Board approved the motion by unanimous roll call vote. The meeting adjourned at 2:48 p.m.

Meeting video link: <https://archive.org/details/crs-board-meeting-12-7-23>

Next Meeting: Thursday, January 11, 2024, at 2:00 p.m. – City Hall Council Chambers and via Zoom

A handwritten signature in black ink, consisting of stylized, cursive letters that appear to be 'JSH'.

Secretary